

**UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION**

COACH, INC. and COACH SERVICES, INC.,

Plaintiffs,

v.

Case No. 15-10740

SOURCE II, INC. and CERHUE ANDRE
WALKER, individually and d/b/a SOURCE II,
INC.,

Defendants.

JUDGEMENT AND PERMANENT INJUNCTION

Upon consideration of Plaintiffs Coach, Inc. and Coach Services, Inc.'s (hereinafter collectively referred to as "Coach" or "Plaintiffs") Motion for Summary Judgment and Supplemental Briefing Regarding Plaintiffs' Election of Statutory Damages against Defendants Source II, Inc. ("Source II") and Cerhue Andre Walker, individually and d/b/a Source II, Inc. ("Walker") (hereinafter collectively referred to as "Defendants"), having granted Plaintiffs' Motion for Summary Judgment and having heard the evidence before it and having considered this case's docket, pleadings, exhibits, and memoranda filed, this Court hereby states and finds as follows:

FINDINGS

1. Defendant Walker is the sole member and owner of Defendant Source II, which operates a clothing and accessory store, The Source Apparel.
2. On December 4, 2014, law enforcement officials executed a search warrant at the Source Apparel and seized thousands of counterfeit handbags, wallets, and accessories worth approximately \$1,671,040. Four counterfeit Coach purses were among the products seized. An investigator for Coach examined the purses and concluded they were counterfeit.

3. Prior to that, on February 21, 2014, Defendants sold to a confidential informant twenty-eight items, including a Coach wallet, which was determined to be counterfeit.
4. Defendants' entire course of conduct demonstrates willfulness. Undisputed evidence in the record shows that Defendants' superficially legitimate business was merely a front — Defendants' store concealed a hidden backroom where Defendants traded in counterfeit products. Defendants have not disputed the existence of or their involvement in this illicit enterprise. Defendants' willfulness is further evidenced by the scale of their illegitimate business. The Court can scarcely conceive of stronger evidence of willful infringement than Defendants' underhanded efforts to illegally acquire, quietly transport, display out of easy sight in the "back room," and offer for sale what amount to — literally — a small fortune in counterfeit goods.
5. Defendants are not licensed or otherwise authorized to use Coach's Trademarks.
6. Defendants infringed on the Coach Trademarks at issue in this action and are liable for federal trademark infringement and counterfeiting (15 U.S.C. § 1114), false designations of origin (15 U.S.C. § 1125(a)), and violation of the Michigan Consumer Protection Act (Mich. Comp. Laws § 445.903(1)).
7. Coach has shown a tangible risk of irreparable harm and that it will lack an adequate legal remedy if this Permanent Injunction is not entered. The Lanham Act authorizes courts to grant injunctions "under principals of equity and upon such terms as the court may deem reasonable" to prevent future infringement;
8. Weighing the equities favors Coach's requested relief;
9. It is in the public interest that the Court enter a Permanent Injunction; and
10. Defendants do not contest the suitability of entry of a Permanent Injunction in this case.

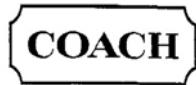
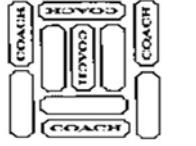
IT IS, THEREFORE, HEREBY ORDERED that a Permanent Injunction is entered against Defendants pursuant to Fed. R. Civ. P. 65, forever enjoining the Defendants, their respective officers, agents, servants, employees, and attorneys and upon those persons in active concert or participation with them from:

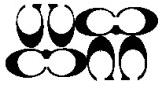
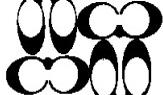
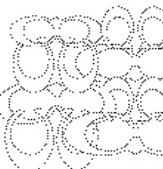
- a. Manufacturing, importing, advertising, marketing, promoting, supplying, distributing, offering for sale, or selling any products or merchandise, including apparel, handbags, wallets, purses, and/or related products, not authorized by the Coach,

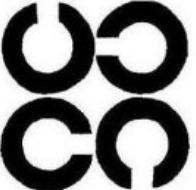
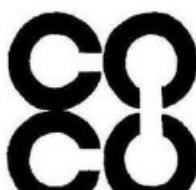
bearing unauthorized simulations, reproductions, counterfeits, copies or colorable imitations of the Plaintiffs' Trademarks, or bearing a design or image which is of a substantially similar appearance to the Plaintiffs' Trademarks. Specifically, those Trademarks as listed below:

<u>Registration No.</u>	<u>Mark</u>	<u>Classes</u>	<u>Date of Registration</u>	<u>Image</u>
2,088,706	COACH	6, 9, 16, 18, 20 and 25 for <i>inter alia</i> key fobs, eyeglass cases, cellular phone cases satchels, tags for luggage, luggage, backpacks, picture frames, hats, gloves and caps.	August 19, 1997	COACH
3,157,972	COACH	35 for retail store services.	October 17, 2006	COACH
0,751,493	COACH	14 for Leather Goods, namely, Utility Kits, Portfolios, Key Cases, Comb Cases, Pass Cases, Money Clips, Billfolds, Wallets, Pocket Secretaries, Stud Cases, Jewel Cases, and Leather Book Covers.	June 23, 1963	COACH
2,451,168	COACH	9 for eyeglasses.	May 15, 2001	COACH
4,105,689	COACH	9 for sunglasses.	February 25, 2012	COACH
2,537,004	COACH	24 for <i>inter alia</i> home furnishings.	February 5, 2002	COACH
1,846,801	COACH	25 for <i>inter alia</i> men's and women's coats and jackets.	July 26, 1994	COACH
3,439,871	COACH	18 for <i>inter alia</i> umbrellas.	June 3, 2008	COACH
2,061,826	COACH	12 for <i>inter alia</i> seat covers.	May 13, 1997	COACH

<u>Registration No.</u>	<u>Mark</u>	<u>Classes</u>	<u>Date of Registration</u>	<u>Image</u>
2,231,001	COACH	25 for <i>inter alia</i> clothing for men, women and children namely, coats, jackets, overcoats, raincoats, shirts, vest, scarves, shoes and belts.	March 9, 1999	COACH
2,939,127	COACH	9 for <i>inter alia</i> camera cases.	April 12, 2005	COACH
3,354,448	COACH	14 for <i>inter alia</i> jewelry.	December 11, 2007	COACH
2,446,607	COACH	16 for <i>inter alia</i> writing instruments.	April 24, 2001	COACH
2,291,341	COACH	14 for <i>inter alia</i> clocks and watches.	November 9, 1999	COACH
1,071,000	COACH	18, 25 for <i>inter alia</i> women's handbags and men's and women's belts.	August 9, 1977	COACH
3,633,302	COACH	3 for <i>inter alia</i> perfumes, lotions and body sprays.	June 2, 2009	COACH
4,168,626	COACH NEW YORK	18, 25 for briefcases, satchels, tote bags, duffle bags, key cases, coin cases, wallets, hats, caps, gloves, coats, jackets, vests, shirts, overcoats, raincoats, scarves, ties, shoes and belts.	July 3, 2012	COACH NEW YORK
4,296,584	COACH NEW YORK	9, 16 for cases for eyeglasses and sunglasses, sunglasses and spectacles, calendars and diaries	February 26, 2013	COACH NEW YORK
3,413,536	COACH EST. 1941 STYLIZED	14 for jewelry	April 15, 2008	
2,534,429	COACH & LOZENGE DESIGN	9 for <i>inter alia</i> eyeglasses, eyeglass frames and sunglasses.	January 29, 2002	

<u>Registration No.</u>	<u>Mark</u>	<u>Classes</u>	<u>Date of Registration</u>	<u>Image</u>
3,363,873	COACH & LOZENGE DESIGN	3 for <i>inter alia</i> fragrances.	January 1, 2008	
2,252,847	COACH & LOZENGE DESIGN	35 for retail services.	June 15, 1999	
2,291,368	COACH & LOZENGE DESIGN	14 for <i>inter alia</i> watches.	November 9, 1999	
2,534,429	COACH & LOZENGE DESIGN	9 for <i>inter alia</i> eyeglasses, eyeglass frames and sunglasses.	January 29, 2002	
2,169,808	COACH & LOZENGE DESIGN	25 for <i>inter alia</i> clothing for men and women, namely, coats, jackets, scarves, shoes, and belts.	June 30, 1998	
2,045,676	COACH & LOZENGE DESIGN	6, 9, 16, 18, 20, 25 for <i>inter alia</i> key fobs, money clips, phone cases, computer cases, briefcases, satchels, duffel bags, hats, caps and gloves.	March 18, 1997	
1,070,999	COACH & LOZENGE DESIGN	18, 25 for <i>inter alia</i> women's handbags and men's and women's belts.	August 9, 1977	
1,309,779	COACH & LOZENGE DESIGN	9, 16, 18 for <i>inter alia</i> eyeglass cases and leather goods, namely, wallets, handbags and shoulder bags.	December 19, 1984	
2,035,056	COACH & LOZENGE DESIGN	3, 21 for <i>inter alia</i> leather cleaning products and shoe brushes.	February 4, 1997	
2,983,654	COACH & LOZENGE DESIGN	18, 24, 25 for <i>inter alia</i> handbags, leather goods, fabrics, swimwear, hats and shoes.	August 9, 2005	

<u>Registration No.</u>	<u>Mark</u>	<u>Classes</u>	<u>Date of Registration</u>	<u>Image</u>
2,626,565	CC & DESIGN (Signature C)	18 for <i>inter alia</i> handbags, purses, clutches, shoulder bags, tote bags, and wallets.	September 24, 2002	
2,822,318	CC & DESIGN (Signature C)	24 for <i>inter alia</i> fabric for use in the manufacture of clothing, shoes, handbags, and luggage.	March 16, 2004	
2,832,589	CC & DESIGN (Signature C)	6, 9, 14, 18, for <i>inter alia</i> sunglasses and eye glass cases, leather goods, metal key fobs, leather key fobs jewelry, watches, umbrellas	April 13, 2004	
2,592,963	CC & DESIGN (Signature C)	25 for <i>inter alia</i> clothing namely, scarves, belts, gloves , hats, shoes, coats, jackets.	July 9, 2002	
2,822,629	CC & DESIGN (Signature C)	35 for retail services.	March 16, 2004	
4,365,898	COACH Signature C Design	9 for Protective covers and cases for cell phones, laptops and portable media players	July 9, 2013	
3,396,554	AMENDED CC & DESIGN (Signature C)	3 for <i>inter alia</i> fragrances.	March 11, 2008	
3,012,585	AMENDED CC & DESIGN (Signature C)	18, 24, 25 for <i>inter alia</i> handbags, purses, wallets, umbrellas, fabrics for the use in manufacturing clothings, shoes and handbags and clothing namely scarves, hats, caps and shoes.	November 8, 2005	

<u>Registration No.</u>	<u>Mark</u>	<u>Classes</u>	<u>Date of Registration</u>	<u>Image</u>
3,784,814	COACH OP ART	9 for eyeglasses and sunglasses.	May 4, 2010	
4,365,899	COACH OP ART	9 for Protective covers and cases for cell phones, laptops and portable media players	July 9, 2013	
4,105,636	COACH OP ART	14, 18, 25 for Jewelry, watches, wallets, handbags, belts, hats, scarves, shoes, coats, gloves and t-shirts.	February 28, 2012	
3,696,470	COACH OP ART & Design	18, 24 and 25 for <i>inter alia</i> handbags, wallets, umbrellas, hats, scarves, belts, coats, shoes and fabrics for the manufacturing of clothing, shoes and handbags.	October 13, 2009	
4,391,741	COACH LEATHERWARE EST. 1941 [Heritage Logo]	3 for After-shave; Body lotions; Fragrances; Make-up; Perfumes; Soaps for personal use	August 27, 2013	
4,296,582	COACH EST. 1941 NEW YORK	14, 16, 18 and 25 for jewelry and watches, handbags, leather credit card cases, purses, shoulder bags, wallets, belts, coats, t-shirts, hats, gloves, shoes, day planners.	February 26, 2013	
4,359,191	COACH EST. 1941 NEW YORK	9 for Protective covers and cases for cell phones, laptops and portable media players.	June 25, 2013	

<u>Registration No.</u>	<u>Mark</u>	<u>Classes</u>	<u>Date of Registration</u>	<u>Image</u>
3,251,315	COACH EST. 1941	18, 25 for <i>inter alia</i> handbags, small leather goods, jackets, coats and shoes.	June 12, 2007	
3,338,048	COACH STYLIZED	18 for <i>inter alia</i> luggage, backpacks, purses, wallets, and shoulder bags.	November 11, 2007	
3,149,330	C & LOZENGE LOGO	14 for watches.	September 26, 2006	
2,162,303	COACH & TAG DESIGN	25 for belts.	June 2, 1998	
4,334,351	COACH & TAG	9 for Protective covers and cases for cell phones, laptops and portable media players.	May 14, 2013	
3,685,590	COACH & TAG	14 for Bracelets; Earrings; Jewelry; Necklaces; Rings being jewelry; Watches	September 22, 2009	
2,088,707	COACH & TAG DESIGN	18 for briefcases, handbags, satchels, tote bags, duffle bags, cosmetic bags, luggage.	August 19, 1997	
3,908,558	POPPY	9 for eyeglasses and sunglasses.	January 18, 2011	POPPY
3,812,170	POPPY	18 for <i>inter alia</i> backpacks, briefcases, leather key chains, bags, wallets and billfolds.	June 29, 2010	POPPY

This includes, but is not limited to, the following marks used by Defendants, and any mark bearing a design or image which is of a substantially similar appearance:



b. Using Plaintiffs' Trademarks or any reproductions, counterfeit copies or colorable imitations thereof in any manner in connection with the distribution, marketing, advertising, offering for sale, or sale of any product that is not a genuine product of Plaintiffs or not authorized by Plaintiffs to be sold in connection with the Plaintiffs' Trademarks;

c. Passing off, inducing, or enabling others to sell or pass off any product as a genuine product of Plaintiffs or any other product produced by Plaintiffs, that is not a genuine product of Plaintiffs or not produced under the authorization, control or supervision of Plaintiffs and approved by Plaintiffs for sale under Plaintiffs' Trademarks;

d. Committing any acts calculated to cause consumers to believe that Defendants' products are those sold under the authorization, control or supervision of Plaintiffs, or are sponsored by, approved by, or otherwise connected with Plaintiffs;

e. Further infringing Plaintiffs' Trademarks and damaging Plaintiffs' goodwill;

f. Manufacturing, shipping, delivering, holding for sale, transferring or otherwise moving, storing, distributing, returning, or otherwise disposing of, in any manner, products or inventory not manufactured by or for Plaintiffs, nor authorized by

Plaintiffs to be sold or offered for sale, and which bear any of Plaintiffs' Trademarks or any reproductions, counterfeit copies or colorable imitations thereof;

g. Engaging in any other acts and practices that deceive consumers, the public, and/or trade, including without limitation, the use of designations associated with Coach.

IT IS FURTHER ORDERED AND ADJUDGED that Defendants shall recall from any distributors and retailers and to deliver to Coach for destruction or other disposition all remaining inventory of all Infringing Products, including all advertisements, promotional and marketing materials therefore, as well as means of making same. Defendants shall also file with this Court and serve on Coach within thirty (30) days after entry of the injunction a report in writing under oath setting forth in detail the manner and form in which Defendants have complied with the injunction.

IT IS FURTHER ORDERED AND ADJUDGED that the Court finds that Defendants have intentionally used counterfeit marks as defined in Section 1116(d)(1)(B) of Title 15.

IT IS FURTHER ORDERED AND ADJUDGED that pursuant to 15 U.S.C. § 1117(c)(2), Coach is awarded statutory damages and attorney fees and costs from the Defendants, jointly and severally, in the amount of three hundred thousand dollars (\$300,000) for use by the Defendants of one or more counterfeit Coach Trademarks;

IT IS FURTHER ORDERED AND ADJUDGED:

That the Court finds that there is no just reason for delay, and therefore, pursuant to Fed. R. Civ. P. 54(b), the Court expressly directs the entry of judgment on all rulings made by the Court which shall operate as a final judgment as to Defendants.

Dated at Port Huron, Michigan, this twenty-first day of April, 2017.

s/Robert H. Cleland /
ROBERT H. CLELAND
UNITED STATES DISTRICT JUDGE

I hereby certify that a copy of the foregoing document was mailed to counsel of record on this date, April 21, 2017, by electronic and/or ordinary mail.

s/Lisa Wagner /
Case Manager and Deputy Clerk
(313) 234-5522